



DOCKET SECTION

JACKSON & CAMPBELL

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May 21, 1998

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Mr. Thomas S. Koerber
Secretary of the Board
Board of Governors
United States Postal Service
475 L'Enfant Plaza West, S.W.
Room 10-300
Washington, D.C. 20026-1000

Re: Postal Rate Commission
Opinion and Recommended Decision
Docket No. R97-1

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MAY 21 1 58 PM '98

Dear Board of Governors:

On behalf of the Greeting Card Association (GCA), this is to express GCA's strong concern about the timing of new postal rates, especially as they relate to First-Class mail. We are convinced that any increase in rates in the fourth quarter of the year (October, November or December) would have onerous consequences, not only for the greeting card industry, but also for the Postal Service.

GCA does not want to see a replay of the events of 1981 when a First-Class stamp rate increase went into effect in November, just prior to the holiday season. At that time, the greeting card industry experienced a twenty (20%) percent drop in holiday cards purchased and, equally important, the holiday mail volume flowing through the Postal Service was curtailed severely.

In view of the present strong financial position of the Postal Service (year-to-date operating surplus of more than \$1.3 billion) and a continuing robust economy, GCA believes the Service will not require an increase in this calendar year to break even. Furthermore, in its role as an advocate for the citizen mailer, GCA believes that the implementation should be delayed until 1999 to avoid an unnecessary burden on the nation's citizen mailers.

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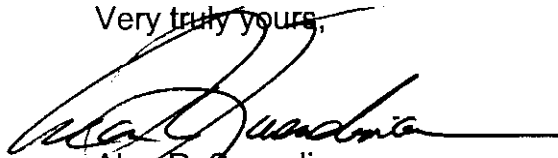
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Since 1981, the Postal Board of Governors has acted prudently, and avoided implementing any rate increase for First-Class mail in the fourth quarter of the year. GCA encourages the Governors to continue that tradition.

Finally, GCA applauds the fact that this is the first increase in four years and encourages the Postal Service's continued attention to productivity improvements in order to keep any First-Class rate increases below the rate of inflation.

Very truly yours,

A handwritten signature in black ink, appearing to read "Alan R. Swendiman", written over a horizontal line.

Alan R. Swendiman
Counsel for the
Greeting Card Association

ARS:mjp
cc: Postal Rate Commission
All Participants